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Expansion of Production Capacity for High-Purity Red Phosphorus

Strengthening the Stable Supply of Semiconductor Materials for High-Speed Optical
Communications in the AI Era

Nippon Chemical Industrial Co., Ltd. has decided to expand production facilities for high-purity red phosphorus at the Fukushima No. 2 Factory (Tamura-gun, Fukushima).

Through this expansion, the production capacity for high-purity red phosphorus is expected to increase by approximately 60% compared with the current level. The expansion is scheduled to be completed in fiscal 2027, with operations expected to begin within the same fiscal year.

◆ Background of the Expansion of Production Facilities for High-Purity Red Phosphorus

High-purity red phosphorus is used as a semiconductor dopant material and as a raw material for indium phosphide (InP)-based compound semiconductors utilized in optical communication applications. In recent years, driven by the widespread adoption of generative AI and the expansion of AI data centers, demand for higher-speed and larger-capacity information communications has continued to grow. InP-based compound semiconductors are used in optical transmitter and receiver devices that support high-speed optical communications, and medium- to long-term demand growth is also expected for high-purity red phosphorus, a key raw material for these products.

Leveraging our proprietary integrated manufacturing technology centered on phosphine-related technologies, together with purification technologies, quality control expertise, and manufacturing know-how cultivated over many years, we produce high-purity red phosphorus with a purity level of 99.9999% (6N). We have supplied this product for many years, meeting the needs of customers in Japan and overseas through advanced purification technology and rigorous quality management.

This capacity expansion is intended to respond to growing demand and further strengthen our stable supply system. In anticipation of market growth and the medium- to long-term expansion of customer demand, we are also advancing initiatives to expand production

capacity, enhance manufacturing infrastructure, and strengthen the resilience of the overall supply chain.

High-purity red phosphorus is one of our key strategic products based on the phosphine technologies that we have cultivated over many years. To fulfill our responsibility as a reliable supplier to the expanding semiconductor and optical communications markets, we will continue to strengthen our production foundation and expand supply capacity, aiming for sustainable growth and enhancement of corporate value over the medium and long term.

◆Overview of the Expansion

- (1) Factory location: Tamura-gun, Fukushima
(Fukushima No.2 Factory, Nippon Chemical Industrial Co., Ltd.)
- (2) Capacity increase: Approximately 60% compared with the current level
- (3) Scheduled completion of expansion: Fiscal 2027
- (4) Scheduled start of operation: Fiscal 2027